

About this document

Publication date

01/02/2023

Title

Consultation report of the Capacity Remuneration Mechanism (version 3)

Public Consultation - 25 November 2022 - 4 January 2023

Context

Elia organised a public consultation on their proposed updates for the Capacity Remuneration Mechanism's Functioning Rules. The purpose of the publication and consultation of said proposal was to provide all stakeholders with a clear view on the design modalities of the third iteration of the CRM's Functioning Rules, and to receive and incorporate any useful feedback from market parties on the latest design proposals, before sending the proposal to CREG.

About the consultation

The consultation period was set from Friday the 25th of November 2022 until Wednesday the 4th of January 2022, 6:00pm and was publicly announced on the Elia website and during the WG Adequacy of 17/11/2022.

In total 5 public reactions were received, from the following parties:

- Centrica
- FEBEG
- Fluvius
- FEBELIEC
- Zandvliet Power

Elia received 1 fully confidential reply.

Purpose of this document

Via this consultation report, Elia formally addresses all remarks and questions received from stakeholders on the CRM FR v3. Elia also communicates, if applicable, how the feedback is incorporated in the proposal sent to CREG.

How to use this document

The format of the consultation report is via an excel file, in order to exhaustively list all received questions and provide an answer to each one of them. The report contains thus a table per chapter of the Functioning Rules, a reply on each remark and if it has been considered in the updated design or not. If a certain comment could not be taken into account, Elia also provides a reason why.

Fully confidential responses are answered in a separate version, sent only to the involved party.

Answers provided by FPS Economy in view of the proposed CO2 thresholds are to be found in annex, at the end of the document.

General Provisions

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEPEG	<p>§ 10: Impact of changes on existing capacity contracts</p> <p>We refer to our general comments on the retroactivity. Generally speaking, FEPEG is of the opinion that the changes in relation to the functioning rules and the CRM contract cannot be applied to existing commitments (cf. previous auctions and related contracts) to the extent the changes negatively impact the contractual balance (and hence cause additional costs/risks/obligations for the capacity provider), unless there is consent of the capacity provider.</p> <p>Indeed, the amendment of each single clause, can have an (financial) impact on the capacity provider: not only changing the applicable penalties, but also changing the liability clauses (higher liabilities), amending the Force Majeure clause (eg. Termination for Force Majeure after 90 days of suspension), changing payment modalities, adding clauses etc. can have a substantial impact on the capacity provider, and can result in an impairment.</p> <p>As stated before, we acknowledge that certain operational modifications can be made retroactive when duly justified. In that case, FEPEG can support those modifications. However, the guiding principles on the retroactive application should therefore remain that a prior mutual agreement between the stakeholders is required. This is particularly relevant as the CREG can, in its approval process, still adapt the functioning rules before the 15th of May.</p> <p>In relation to the current consultation, we consider that the following modifications to the functioning rules cannot be applied retroactively:</p> <ul style="list-style-type: none"> •Appendix B.3.: content of a quarterly report 	<p>Elia takes note of FEPEG's input on the matter. However, Elia would like to highlight again (as presented during the WG Adequacy of January 27) the fact that retroactivity has always been foreseen as a default regime in the rules according to chapter 2 (specifically based on §§ 10-11). Of course the retroactivity must be justified. where it comes to the content of the quarterly report, it aims at better (= in a more concrete way) defining the information to be provided which is needed to assure a real follow up of the project works. The information asked is linked to relevant (and already existing) obligations resulting from the functioning rules and is also similar to information to be provided in project financing. Elia aims at preventing a minimalistic approach of the reporting, which would transfer the risks from the capacity provider to society (moral hazard).</p>
2	Centrica	<p>Centrica firmly opposes any retroactive intervention in existing contractual arrangements, which risk to distort competition and create legal uncertainty</p> <p>Centrica firmly opposes any change that could retroactively impact already awarded capacity contracts. Elia is responsible to organise a regulatory framework allowing all CRM parties to effectively compete and have legal certainty for long-term contractual arrangements. Such arrangements not only secure capacity payments, but also provide the provisions under which the contracted flexibility can be valorised in various markets, such as Elia's balancing reserves. Elia suggests to retroactively intervene in applicable CRM Functioning Rules, which are subject of a Royal Decree published in the Belgian Official Gazette. Centrica firmly opposes such retroactive interventions and strongly believes this would negatively impact the competitive landscape, introduce a precedent of meaningful rule change during the lifetime of a contract.</p>	<p>Elia takes note of Centrica's input on the matter. However, Elia would like to highlight again (as presented during the WG Adequacy of January 27) the fact that retroactivity has always been foreseen as a default rule in the rules according to chapter 2 (specifically based on §§ 10-11). Of course the retroactivity must be justified. As the criticism is not specific and does not allow to understand the very issue, Elia does not see why or how a differentiated regime of application of the rules is to be foreseen.</p>
3	Febeliec	<p>Concerning retroactive modifications to the strike price for already contracted capacities in the CRM, Febeliec must insist that it fundamentally cannot support breaking into existing contractual relationships as this leads to a retrogradation of legal certainty and opens the box of Pandora if such retroactive changes are applied evermore frequently. However, considering the recent and unexpected extreme market situation, Febeliec understands that the historical approach might lead to undesired outcomes for the contracted parties. Febeliec nevertheless imagines that participants to the auctions should have already included (at least partially) extremers scenarios (with potentially lower probabilities) in their bids (especially for multi-year contracts) and thus most strongly insists that it would be unacceptable that by modifying the strike price retroactively, windfall profits could be locked-in (which would also violate the legal lowest cost criterion). Hence, Febeliec proposes that for the (quite limited number of) already contracted assets a neutral party such as the energy regulator can on an individual case-by-case basis, if requested by the contracted party, determine whether the historical strike price leads to problems with missing money in light of fuel costs (as all other costs could and probably should have been locked in when signing the contract and taking the related investment decision). Such approach would allow for concerned parties to introduce an individual file to ensure that the extreme changes in market conditions do not lead to missing money (if any), even after participation to the CRM, while ensuring that overall costs remain low and windfall profits avoided for those participants without any impact from the changing market conditions for fuel costs.</p>	<p>Elia takes note of Febeliec's comment and appreciates the proposed solution. However, Elia cannot fulfill such potential judging party with respect to the individual assessment of a specific existing project from the CRM which would have been granted a contracted capacity from a past auction already. Regarding the retroactive application of principles laid down in the rules, Elia would like to repeat that (as presented during the WG Adequacy of January 27) the fact that retroactivity has always been foreseen as a default rule in the rules according to chapter 2 (specifically based on §§ 10-11). Of course, the retroactivity must be justified. The changes under section 12.3.1.2.2 are necessary for the viability of the impacted contracts and for guaranteeing the security of supply and are proportionate in light of the exceptional crisis situation which lead to skyrocketing price increases and indexation.</p>

Definitions

# Stake Received Comment	Elia's answer in EN
1 FEBEG Definition of Derating Factor for Energy Constrained CMUs: it is not very clear how to apply the weighing.Can you add a formula? Is the following formula correct: $\frac{\text{Total Contracted Capacity}(\text{CMU},t)}{\text{Sum [Contracted Capacity (CMU, Transaction}_i,t) / \text{DF}(\text{CMU, Transaction}_i)]}$	Elia thanks FEBEG for its input and has made a proposal in the rules accordingly. Also, throughout the different sections of the rules (e.g. prequalification, pre-delivery monitoring, availability monitoring, payback obligation and secondary market), Elia has aligned the formulas that include a reference to the definition of Derating Factor (CMU,t) with the updated definition.

#	Stakeholder	Received Comment	Elia's answer in EN
1	Fluvius	<p>Remark: 81. Add that Elia also contacts the related DSO for pre-delivery measured power computation and initial Available Capacity and Initial Active and Passive Volume</p> <p>Rationale: The DSO delivers the result of computations for which he disposes of the necessary underlying measurement data</p>	The modifications have been introduced in section 8.4.2.1.2, 9.4.3.2.3.1.1, 9.4.3.2.3.2.1 and 9.5.2.2.1, respectively.
2	Fluvius	<p>Remark: 88. Why is a connection contract offer only required for Additional Delivery Points with production or storage?</p> <p>Rationale: For the DSO, a connection contract offer is required for all Additional Point</p>	Elia takes note of Fluvius's input and has adapted the rules accordingly.
3	Fluvius	<p>Remark: 101. Clarify that the EAN-code of the measuring device may be assigned by the DSO. EAN code of Access Point and Delivery Point are mandatory for Additional DP on the DSO network (asterisks)</p> <p>Rationale: In case of a calculated meter, an EAN should be requested from the DSO</p>	Elia takes note of Fluvius' feedback. However, Elia would like to stress that the provision of some data such as the EAN code of an Access Point is mandatory on the longer term, i.e. when the CMU becomes Existing from being Additional before. Elia highlights thus the fact that such information can be provided at that moment explaining why such information is not mandatory to be provided when the CMU is still Additional. In any case, it cannot be generalized that the EAN code should be mandatory in case the CMU is Additional, at least not for TSO-connected capacities. For this reason, Elia has not specified this further in the rules. However, Elia would like to add that the DSOs are free to introduce additional requirements on DSO-connected capacities.
4	Fluvius	<p>Remark: The validity of the NRP needs to be clarified. This section mentions a validity of 6 months whereas elsewhere (e.g. in 404) the document states that no new computation is required within 1 year.</p>	Elia thanks Fluvius for this comment and has indeed clarified & aligned the rules between PQ & Pre-delivery chapters accordingly.
5	Fluvius	<p>Remark: 148. The timing to compute an NRP is determined by the functioning rules, there is no interaction between the DSO and the CRM Actor for this (except CCC and NFS). The only interaction between DSO and CRM Actor is to allow contestation of the provisional NRP.</p> <p>Rationale: Align description with practice.</p>	Elia takes note of Fluvius' comment but would like to point out that this is a general paragraph stating that the timings as well as the communication channel for interactions between the DSO and the CRM Candidate, are communicated by the DSO. This is to allow for specific processes/deviations that may be required for points on DSO-level. Of course more generally the process and timings to determine NRP as described in the Functioning Rules apply as well.
6	Fluvius	<p>Remark: 150. The DSO provides the NRP to Elia, not vice versa.</p> <p>Rationale: Typo</p>	Elia thanks Fluvius for this comment and will correct the typo in its submission of the Functioning Rules including the LCT chapter to the CREG on 1/3.
7	Fluvius	<p>Remark: 156. It remains odd that the DSO should provide the Declared NRP to Elia as Elia receives it from the CRM Actor in the first place and sends it to the DSO. It may be clearer to state that the DSO confirms the Declared NRP received by Elia?</p> <p>Rationale: Align description with practice.</p>	Elia thanks Fluvius for this comment. However, Elia prefers not to change the wording for the time being. In Elia's view, the current wording does not necessarily contradict with current practice. Moreover, it makes clear that in case of discrepancy between the NRP declared by the CRM Candidate and the NRP assessed by the DSO, the NRP communicated by the DSO prevails.
8	Fluvius	<p>Remark: 159. The Declared NRP for FT DP below 5 MW is registered by Elia, not the DSO.</p> <p>Rationale: Align description with practice.</p>	Elia refers to its answer above. Also here, ELIA prefers not to change the wording.
9	Fluvius	<p>Remark: 181. Why is the opt-out treatment different for Delivery Points with production or storage?</p>	Elia is not sure to fully understand Fluvius' remark, but would like to remind of some general principles related to opt-out. Opt-out notifications are made on CMU level, which may also be aggregated CMUs consisting of multiple Delivery Points possibly with varying technologies. Hence, the opt-out treatment cannot be based on the technology and/or the distinction generation/storage. The purpose of the opt-out classifications is to as accurately as possible assess whether a capacity will contribute to adequacy during the delivery period to which the auction relates. Elia does so based on the most relevant information available on the capacity, which may consist of information from the connection process, whether or not there is a closure notification in accordance with article 4bis of the Electricity Law, etc.
10	Fluvius	<p>Remark: The LCT design allows the choose the bid volume. The DSOs propose to include this possibility also in the CRM design.</p> <p>Rationale: The choice of bid volume allows CRM candidates to take into account the potential limitation of the activation of flexible volumes in their bid.</p>	Elia would like to stress that in both types of auctions (LCT and CRM), there is no obligation to bid any volume in the auction. However, while in the LCT auction market parties are allowed to freely choose their bid volume, in the CRM auction they are required to submit an opt-out notification for the volume they don't want to offer in the auction. This difference is justified by the difference in context between the two auctions. The CRM auctions are market-wide, requiring to make an assessment of all volumes in terms of adequacy contribution. Therefore, volumes that are not bid in the auction are required to provide an opt-out notification. Based on the information submitted in the opt-out notification, an assessment can then be made whether or not the capacity can be expected to contribute to adequacy during the delivery period to which the auction relates. Such assessment of adequacy contribution is not necessary for the LCT auction, as it only aims to fill a remaining adequacy gap and only 'new' capacities are allowed to participate.
11	FEBEG	Timings related to the prequalification process: except in case of prequalification for participation to the secondary market only, fixed dates are replacing time periods. For the prequalification of additional units becoming existing , relative dates should apply as for prequalification for secondary market, to allow the Capacity Provider to prequalify its CMU in due time.	Elia agrees on the fact that some details had to be provided with respect to the change of status from Additional to Existing. Elia has therefore made a proposal in terms of timing and has specified better which information would additionally have to be provided : all information on that matter are summarized in section 8.6.1.
12	FEBEG	<p>§81 Requirements per Existing Delivery Point and per Additional Delivery Point</p> <p>- EAN code "For a Delivery Point that is not CDS-connected, if the Delivery Point is defined on the level of the Headmeter, the provided EAN code of the Access Point will be the same as the provided EAN code of the Delivery Point."For units covered by a contract for Outage Planning Agent for which the Delivery Point is defined on the level of the Headmeter, Elia recommended to use the TOPAZ code of the production unit instead of the EAN code of the Headmeter. Can Elia clarify this in the Functioning Rules, as it has not been clarified in the FAQ published in May 2022. (this remark is also applicable for §101, in the Fast Track Procedure.)</p> <p>- Full technical offtake Capacity: as for the Unsheddable Margin, this requirement should be only mandatory for Delivery Points for which NRP cannot be calculated based on injection data only.</p>	Elia would like to keep rules inserted in the Functioning Rules to the largest amount possible of capacity providers. Therefore, Elia is not too keen rules applicable to a limited scope of actors given the already important size of the CRM Functioning Rules document : Elia has thus not inserted this in the rules but will add it to its updated FAQ. On the unsheddable margin specification, Elia has taken this into consideration and added it to the Functioning Rules.
13	FEBEG	<p>§91 Requirements per Existing CMU, per Additional CMU and per Virtual CMU In the case of capacitydegradation, it is specified that "...the percentage has to be lower year-by-year".It should be allowed to keep the same percentage : we request to adapt the text as follows: "the percentage has to be lower or equal year by year".</p>	Elia has taken this feedback into account and has added to its proposal of Functioning Rules.

14	FEBEG	§110	Elia has taken this feedback into account and has added to its proposal of Functioning Rules.
		The CRM Candidate should also be allowed to make a modification of the Prequalification File for the transmission of information related to the obtaining of the technical agreement.	
15	FEBEG	§129 Table	Elia thanks FEBEG for spotting the typo and adjusted the Functioning Rules accordingly.
		There is a typo "That the pool" in the first column	
16	FEBEG	§ 130-142: 5.4.1.1.1 NRP determination FEBEG appreciates the efforts of Elia to adapt the NRP computation. It should indeed lead to more stable values considering the average effect. The new method requires at least fourteen full calendar days of data (in a period that ends five working days before the last day of the month before the submission date of the Prequalification File or of its change) and is based on an approach by month. FEBEG is wondering how this methodology can be applied on capacities changing status from 'new' to 'existing'. Up till now, new capacities had the possibility to use the method based on the use of historical data to determine their NRP when they change status from 'new' to 'existing'. The use of the already available set of historical data, even if only a few days of data are available just before submission of the prequalification file, provides more certainty on establishing an accurate NRP than a one-off prequalification test on a particular moment. This modification has clearly an impact on the already selected 'new capacities', as they cannot longer make use—at least it is not clear how—of the method based on the use of historical data. We therefore propose to allow the computation of the NRP for units becoming 'existing' using the number of calendar days actually available since the commissioning of the unit (without the requirement of having at least fourteen full calendar days). Additionally, we regret that the new methodology will continue to generate exceptionally high NRPs which is not representative of the power this CMU can deliver under normal circumstances and thus represents a too optimistic view of the capacity in the market. Given that some of these MW cannot be guaranteed and thus counted for the security of supply, we propose several alternatives to address the incorrect determination of the NRP: 1) Allow any Grid User to cap the NRP 2) Allow to make an opt-out 'OUT' to correct the NRP (also in Y-4) 3) Allow the declaration of "Non-representative days for NRP determination" for any Delivery Point (also for DP for which the NRP can be determined based on injection data only) to exclude days with weather circumstances leading to high injection data which are not representative.	Elia agrees with FEBEG on the stability and accuracy of using the NRP method based on historic data and confirms that it intends to use this method whenever possible, also in case of a change from Additional to Existing. To build in more flexibility though, Elia has changed the description of the period used in the historic method, now stating that the end of the period can be later (than 5WDs before the end of last month) if valid data is available. However, Elia does propose to keep the fourteen full calendar days of data as a requirement for the historic method. With respect to FEBEG's comments on the result of the NRP calculation still being too high, Elia would like to remind of the following elements: - Elia has reviewed the NRP calculation methodology exactly to make the NRP determination more accurate; - The availability monitoring framework allows to declare unavailabilities in case that in exceptional situations the capacity obligation cannot be met; - Market parties that do not wish to offer (part of) the NRP in the auction can submit an opt-out notification; Elia does not agree with FEBEG with respect to the NRP determination being incorrect and therefore does not see a need to make further adaptations in line with the suggestions made by FEBEG.
17	FEBEG	§136 and 142: For DP for which the NRP can be determined based on injection data only	Elia thanks FEBEG for the comment and has adapted the Functioning Rules accordingly.
		§136 : the provisional NRP should be determined as the absolute value of the average of the lowest 3 values determined per month	
		§142 : the NRP should be determined as the absolute value of the lowest observed quarter-hourly measurement	
18	FEBEG	§142 For DP for which the NRP cannot be determined based on injection data only : the Unsheddable Margin should be taken into account	Elia thanks FEBEG for the comment and has adapted the Functioning Rules accordingly.
19	FEBEG	§172 "In case there is a Transaction related to the CMU with a Transaction Period that (partially) overlaps with the Delivery Period to which the Auction relates, the Opt-out Volume cannot be higher than the Nominal Reference Power, minus the maximum Total Contracted Capacity over the Delivery Period to which the Auction relates divided by the Derating Factor(CMU,t)." For a Non-Energy Constrained CMU, we think it should be the Derating Factor related to the auction (in accordance with §91) instead of the Derating Factor(CMU,t).	Elia agrees with FEBEG and has adapted the Functioning Rules accordingly.
20	FEBEG	§181-184 First, existing capacity should be allowed to declare an opt-out/OUT in case of incorrect NRP determination. This will allow to avoid counting MW that cannot be guaranteed by the Capacity Provider (cf. remark on NRP determination §130-142) Secondly, prequalified demand response capacities that are opted out are considered as 'opt-out/IN', i.e. contributing to security of supply. Article 4 bis of the Electricity Law obliges operators of generation facilities to announce a temporary or definitive closure or capacity reduction. Such procedure doesn't exist for storage or demand response. As a result, storage or demand response capacities that have prequalified and that are opted out, could already have—partially—left the market just after the prequalification. These capacities cannot be counted upon for security of supply and lead to an underestimation of capacity needs jeopardizing security of supply of the country. If a CMU had no obligation to prequalify (no production facility) but did prequalify and at the end makes a full opt-out, it should be considered as opt-out/OUT. Generally speaking, a reasonable level of confidence on the presence of these volumes should be ensured before considering volumes as "IN" (including when an additional CMU has prequalified under 'fast track'). To the contrary of production capacities, the main activity of industrials is not to contribute to security of supply by reducing their demand but to produce goods & services. On top of that, generation capacities are obliged to notify the authorities when they would leave the market, i.e. notification of decommissioning or structural decrease of capacity. Considering DSM volumes in the opt-out 'IN' block can have a significant impact on the technologies that are only eligible to participate in the T-4 auction (due to the lead time for their construction or replacement of parts). We have observed in the last two auctions, that respectively 276 MW in 25-26 and 172 MW in 26-27 have been counted in the opt-out 'IN' block while there is absolutely no guarantee this capacity will be there and committed to reduce its demand during scarcity moments in the concerned delivery periods. Those volumes could be replaced by new-built such as batteries which would have been able to commit. This reasoning is even more relevant considering the already important volume reserved for the T-1 auction aimed at being fulfilled partly by DSM. If large and bigger than anticipated volumes of DSM are already being considered in T-4, regardless whether they are effectively bid or retained, it is not reasonable anymore to continue to reserve an equally big share of volume for these technologies in the T-	With respect to FEBEG's first comment, Elia refers to its answer above. With respect to FEBEG's second comment, Elia can confirm that it has reviewed the opt-out classification rules and has introduced the following reason for an opt-out OUT classification in its submission of the Functioning Rules to the CREG on 1/2: <i>"the volume relates to a CMU that is associated to an SLA category, to the extent the capacities part of the CMU do not have an obligation to submit a Prequalification File as described in article 7undecies, §, 8 al. 2 of the Electricity Act and complemented by the description in § 100, second alinea."</i>

Auction

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEPEG	<p>§257</p> <p>"The volume of a Bid is greater than or equal to the minimum participation threshold in MW, after application of the Derating Factor, as determined in the Royal Decree on "Eligibility Criteria. Does Elia anticipate a change in the concerned Royal Decree? At this stage, this rule is, in our opinion, not in line with the regulation.</p>	<p>Elia has indeed adapted the wording, deleting part of the sentence, but would like to point out that no change in the legal framework is anticipated or intended. Elia believes the sentence is now more clear, simply stating that the bid volume cannot be lower than the minimum participation threshold (which is - as the bid volume - expressed as a volume after application of the derating factor, so no need to repeat that information here, which may otherwise lead to confusion).</p>
2	FEPEG	<p>§ 290-298 Adaptations and corrections to the Demand Curve</p> <p>General remark: FEPEG asks Elia, the SPF Economy and the regions to ensure that the computation of the non-eligible volume in the calibration report is the most accurate possible to avoid ex-post "modifications of the demand at the clearing of the auction. It is essential for market parties to be able to make a proper assessment on the need for additional capacity in the next auction at the moment of the publication of the calibration report so that investments can be triggered in time for participation in that auction. Having a stable methodology and related results is more transparent for the entire market. In parallel, authorities should also ensure that the criteria linked to the obligation to prequalify are as clear as possible for the market parties to avoid ex-post modifications on the demand curve.</p>	<p>Elia takes note of FEPEG's comment and confirms that the intention is to make an assessment of the non-eligible volumes that is as accurate as possible. However, Elia would like to point out that corrections to the demand curve, after the end of the prequalification process, cannot be avoided. The non-eligible volumes are not certain at the moment of the calibration and determination of the demand curve, because it also depends on the choice of market parties whether or not to participate to the CRM (to the detriment of other variable subsidies).</p>
3	FEPEG	<p>§291</p> <p>- Formula of the first bullet : How is the "average" determined ?(simple average, time weighted,...?)</p> <p>- "capacities that indicate not willing to participate to the auction via an Opt-out Notification, but that can be expected to stay in the market". We have the following observations We suggest being able to indicate in our prequalification file (standard or fast track) if a capacity should not be expected to stay in the market but no definitive closure has been announced yet. As suggested for §184, DSM should not be considered as "to be expected to stay in the market", any prequalification with ultimately no bid or a partial bid should not lead to a shift of the demand curve to the left.</p>	<p>On the first bullet, Elia confirms that a simple average will be calculated considering the total contracted capacity over each moment t part of the Delivery Period, thereby giving each moment t an equal weighing.</p> <p>On the second bullet, Elia would like to point out that the assessment of whether a capacity can be expected to stay in the market and thereby contribute to adequacy, will be based on the opt-out classification rules. The possibility for market parties to motivate an opt-out OUT (beyond the reasons already specified) is only foreseen towards a Y-1 auction, not towards a Y-4 auction. With respect to FEPEG's comment on DSM, Elia refers to its answer in the Prequalification tab.</p>
4	Zandvliet Power N.V	<p>Finally, Zandvliet Power would like to raise a general concern about the opt-out volumes. We have noticed, in the last two auctions, that significant opt-out volumes were added into the dummy bid, while there is no guarantee that these volumes will effectively be contributing to the security of supply. Therefore, Zandvliet Power encourages Elia and the authorities to only consider volumes for which there is enough confidence they will be able to deliver the counted MW. This is also necessary to ensure a level playing field for technologies that are more inclined to participate to the T-4 auction, given the important volume reserved for the T-1 auction.</p>	<p>Elia takes note of Zandvliet Power's comment and confirms that the opt-out classification rules have been reviewed. In particular, the following reason for an opt-out OUT classification has been added in Elia's submission of the Functioning Rules to the CREG on 1/2: <i>"the volume relates to a CMU that is associated to an SLA category, to the extent the capacities part of the CMU do not have an obligation to submit a Prequalification File as described in article 7 undecies, §, 8 al. 2 of the Electricity Act and complemented by the description in § 100, second alinea."</i></p>

Pre-delivery

#	Stakeholder	Received Comment	Elia's answer in EN
1	Fluvius	<p>Remark:</p> <p>381. We propose to use the procedure that was proposed earlier in Synergrid discussions: the DSO notifies the customer of potential delays and adds a reminder that he may need to notify this to the FRP (Elia). It is the responsibility of the customer to include this information in his quarterly report to Elia. In case of doubt, the DSO will provide Elia - upon request - any additional information that is required. Also, the DSO cannot describe the potential impact of the delay on the delivery of the capacity (445), except for what is obvious in case of a delay in the connection of the customer.</p> <p>Rationale:</p> <p>We want to have minimal impact on the existing connection process and avoid cross-links with CRM. The proposed solution also seems more in line with the quarterly reporting and can be generalized to other flexibility products.</p>	Elia agrees with the proposal from Fluvius and will adapt the Functioning Rules.
2	Fluvius	<p>Remark:</p> <p>410. Elia should request the pre-delivery measured power computation from the DSO latest on August 1st.</p> <p>Rationale:</p> <p>As agreed in Synergrid WG05.</p>	Elia agrees with the proposal from Fluvius and will adapt the Functioning Rules.
3	Fluvius	<p>Remark:</p> <p>447. Elia is notified by the delay via the quarterly reports. The DSOs propose that - if needed - Elia request additional information for the involved DSO instead of proactively sending it.</p> <p>Rationale:</p> <p>Align with request-reply sequency that is also used for other DSO tasks.</p>	Elia agrees with the proposal from Fluvius and will adapt the Functioning Rules accordingly.
4	FEBEG	<p>Quarterly report (articles 382 to 384)</p> <p>FEBEG regrets that the modifications to the template of the quarterly report were not discussed in the Elia WG 'Adequacy'. Initially, Elia rather provided a non-binding 'check list' to facilitate provision of quarterly reports. Now, the quarterly report has—all of a sudden without discussion with the involved parties—an imposed content with new administrative obligations and even attestations by third parties and/or disclosure of minutes of construction site meetings.</p> <p>FEBEG considers these modifications to the template of the quarterly report unacceptable. The new requirements increase the administrative burden, and related administrative costs. More important, they are not matching day-to-day reality and are simply impossible to comply with. On top of that, they are including the provision of sensitive and confidential information.</p> <p>FEBEG is convinced that Elia is not aware of the impact of the new requirements. During site meeting very technical and complex matters are discussed, referring to codes, purchase orders, etc. The information in the minutes will not be comprehensible requiring clarifications and possible disclosure of underlying contracts, work instructions, etc. No need to repeat that this information is sensitive and confidential while no sufficient guarantees on the confidentiality is provided. The new requirements therefore seem to be unreasonable and disproportionate.</p> <p>FEBEG is also very indignant to see that—in reality—Elia goes already further than what is required in new requirements. According to annex B.3, the Capacity Provider can demonstrate that he reached the Permitting Milestone by including a copy of the permits. This is not matching reality as, in practice, Elia is requesting additional information such as attestations by third parties that no appeals are ongoing: experience learns that the authorities are very reluctant to provide such statements.</p>	<p>Elia understands the concerns from FEBEG, but wants to highlight that the proposed changes are less drastic than portrayed here by FEBEG. Indeed, all elements that Elia verifies in the quarterly report have always been present in the templates for the quarterly reports. Furthermore, as explained in the table in annex 19.2.3 for multiple elements a brief explanation suffices as to why some of the elements are not relevant. As a result, Elia finds that the additional workload claimed by FEBEG is relatively minor. As for FEBEG's comment regarding sensitive information, Elia wishes to point out that following section 2.8 any such information is treated as confidential and is never made public.</p> <p>Elia would furthermore like to point out that it in no way goes further than what is written in the Functioning Rules, since it includes that Elia needs to "[...] verify whether the Capacity Provider has been granted, in the last administrative instance, all relevant permits [...]". The attestation with regards to appeals is requested in that context.</p>
4bis		<p>Considering these elements, FEBEG can certainly not accept that the new requirements are imposed retroactively. Elia should be clear on such requirements upfront so that the requirements can be passed on to the involved third parties when negotiating contracts, especially as the attestations and confirmations are related to delays, a very sensitive topic in the concerned contracts to which liabilities and penalties are linked. In this stage, contracts are concluded and being executed.</p> <p>If a copy of the permits has already been transferred to Elia with a previous quarterly report, it should not be included again in the following quarterly reports.</p> <p>We propose that Elia and the concerned TSOs/DSOs also provide quarterly report on infrastructure works, as it was proposed by the CREG in April 2022.</p>	
5	FEBEG	<p>Determination Missing Volume on Existing CMU's (articles 403 to 411)</p> <p>Elia is proposing to retroactively modify the determination of Missing Volume of Existing CMU's to the advantage of existing capacities already contracted.</p>	<p>With regards to retroactivity, Elia would like to refer to the general reply on that topic.</p> <p>As for the modification in the methodology to calculate the Pre-delivery Measured Power, Elia wishes to highlight that this modification has been proposed and presented in the WG Adequacy, and that no market parties expressed their concerns at that moment. Moreover, Elia fails to understand how this modification would be detrimental to Existing CMUs; indeed, since the very first moment of control is yet to happen, no Pre-delivery Measured Power has ever been determined using the previous methodology. Additionally, Elia wishes to emphasise that the previous methodology to calculate the Pre-delivery Measured Power was almost identical to the one proposed now, save for some details. By using the exact same methodology as in Prequalification, Elia aims to avoid confusion. As such, this modification can be better described as a simplification.</p>
6	FEBEG	<p>Determination Missing Volume on Additional CMU's (articles 413)</p> <p>FEBEG does not agree with the proposed changes.</p> <p>On top, Elia is retroactively reinforcing the controls linked to the quarterly reports, by a 'thorough compliance check' and by demanding a 'duly justification' of the extended obligatory elements in the quarterly report. These elements are very vague and leave a lot of discretionary freedom to Elia, while the day-to-day practice is already not matching reality. These new elements create, hence, uncertainty which is reinforced with the retroactive application of such modifications.</p>	<p>Elia does not agree with FEBEG's comment with regards to increased uncertainty due to the modifications introduced by Elia. Indeed, these modifications aim to clarify what elements are expected in the quarterly reports and how Elia will evaluate them, thereby allowing Capacity Providers to better prepare for them. In order to make sure that no unforeseen misunderstandings arise, Elia will provide feedback based on the quarterly reports submitted in February 2023 in order to make sure that Capacity Providers know what is expected from them.</p>

Availability

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	<p>\$488-492: AMT Price Determination</p> <p>The AMT price should be more dynamic than a fixed value determined upfront and applicable throughout the delivery year (keeping the link with the evolution of the production costs). If 2021-2022 had been a delivery period, we consider that the proposed methodology would not have been appropriate (AMT price too low compared to observed day-ahead prices) both for Elia and the Capacity Provider.</p>	<p>Elia understands FEBEG's concern but wishes to highlight the distinction between AMT Hours (i.e. hours where the AMT Price is exceeded) and the hours where Elia effectively verifies the Available Capacity. The latter is a subset of the former, and is limited to 30 moments per year with an expected amount of 15. The selection of AMT moments that are actually monitored follows a methodology that needs to be approved by the CREG, and Elia has clarified in the rules that the selected AMT Moments will avoid days with a particularly low risk of adequacy issues.</p> <p>Furthermore, the AMT Price is calculated with the latest available input data for the simulations. Seeing as the Delivery Period starts with the winter, it is unlikely that in that short time window any price shocks occur.</p> <p>Elia also wishes to point out again that Capacity Providers can declare Announced Unavailable Capacity so that during certain time periods, for example during regular maintenance, they are not subject to heavy penalizations.</p> <p>Be that as it may, Elia is fully aware that sudden price shocks can increase uncertainty for Market Parties. Elia commits to looking into possible improvements in the future.</p> <p>Elia wishes to refer to its reply to FEBEG's earlier comment on a dynamic AMT Price.</p>
2	FEBEG	<p>\$488-489</p> <p>According to FEBEG, updating the AMT price during the delivery year is needed in order to avoid unnecessary AMT controls during, for instance, the period where there is no scarcity issue (but the prices would remain high due for e.g. an increase of the underlying components) and thermal assets are planning necessary maintenances to remain available. Making the comparison with units without daily-schedule having the possibility to declare a (high) market price, we fear that the thermal assets may be more subject to controls (via the availability monitoring during AMT moments) than technologies like DSM which will be mostly controlled via the availability testing with (i) the possibility to announce unavailabilities for which they will not be penalized (incl. in winter up to 25 days) and (ii) with a relative guarantee that they will not be penalized during the summer months.</p> <p>In the current rules, the AMT price is computed and published by the 15th of May before the start of the delivery year. Similarly to the principle of dynamic strike price indexation, we consider that updating the AMT price during the delivery year is necessary when the market conditions have changed in such a way that the computed value no longer represents a correct trigger for the controls). Similarly to what is now being proposed for the availability testing (§ 583), there should also be a more explicit link in the AMT monitoring between controls and scarcity periods.</p> <p>We therefore propose a determination of the AMT price, ex-ante, on a monthly basis, in line with the latest evolutions on the electricity market. Indeed, using the reference scenario defined in the Royal Decree, even adapted according to § 489, may no longer be up-to-date when entering or during the delivery year.</p> <p>If the AMT price is not updated during the delivery period, capacities targeted by the AMT monitoring should also be allowed to declare a number of days where it is not available, especially when there is no scarcity moments identified (cf. possibility for the availability testing).</p>	
3	FEBEG	<p>\$536 Determination of Obligated Capacity for Energy Constrained CMUs for its SLA Hours : the Total Contracted Capacity ex-ante is divided by the Derating Factor(CMU,t) which is calculated taking into account capacities that are contracted ex-post (included in Annex A). This is not logical and the formula should be adapted.</p>	<p>Elia would like to point out that there is a difference between ex-post Contracted Capacities and Capacities that have been contracted on the Secondary Market. Indeed, as long as a Transaction is completed on the Secondary Market before the ex-ante closure, these Transactions count for the ex-ante Total Contracted Capacity. This distinction ensures that no double-counting towards to Obligated Capacity occurs.</p>
4	FEBEG	<p>\$581 & 587</p> <p>"A CMU is only tested for its full SLA (if any) if it has failed the previous Availability Test in the same Delivery Period". We understand that the objective of this clause is to limit the cost of testing for some technologies. However, we wonder how Elia is able to verify the SLA declared by the DSM as, with the proposed rules, it could happen that the full SLA is never verified. Will Elia at the very minimum verify the full SLA during the pre-delivery monitoring?</p>	<p>The SLA category selected by the Capacity Provider is directly used in the determination of the SLA Hours for the CMU, meaning that a CMU in a category with more hours will be subject to more monitoring in the Availability Monitoring.</p>
5	FEBEG	<p>\$583</p> <p>"If no scarcity moments are expected in June, July and August of the simulation, no Availability Tests are carried out during these months of the Delivery Period on a CMU unless Missing Capacity is determined for this CMU during Availability Monitoring in the last twelve months".</p> <p>Elia is proposing –based on an analysis of forecasted scarcity moments –not to carry out an Availability Test in June, July and August. Although this is a retroactive change, FEBEG welcomes and supports this proposal. However, we have several concerns and propose some improvements to the rule:</p> <ul style="list-style-type: none"> - We fear that large assets may again be more impacted by the conditions if a CCGT would, for instance, miss a few MW on a single Availability Monitoring, it could potentially still be subject to availability testing during summer (if no scarcity is projected). We therefore propose to link the condition to a percentage of the NRP (e.g. Missing Capacity of at least 10% of the NRP). - As mentioned above, there is no similar clause introduced for the availability monitoring via AMT moments. Given that some technologies will mostly be monitored via the AMT monitoring and others mostly via the availability testing, we recommend including similar provision for the AMT monitoring so that the level playing field is ensured among all technologies. 	<p>The specific conditions and triggers for an Availability Test are not disclosed publicly, but the guiding principles are included in section 9.5.1.1 of the Functioning Rules. These include:</p> <ul style="list-style-type: none"> - the amount of Proven Availability; - previously failed Availability Tests; - Missing Capacity during Availability Monitoring; - correlations between the output of the unit and its Declared Prices and Associated Volumes. <p>Elia notes that both the first and the second and the last criterion are not applicable to Daily Schedule CMUs, which include CCGTs; after all, the Available Capacity of a Daily Schedule CMU does not consist of Unproven Availability, and it does not make use of the Declared Prices. As a result Daily Schedule CMUs already have much smaller chance to be selected for an Availability Test compared to CMUs who do have Unproven Availability and make use of Declared Prices. Accordingly, Elia does not follow FEBEG's concerns.</p> <p>Elia has modified the guiding principles of the Availability Monitoring in section 9.4.1.4, thereby guaranteeing that the Availability Monitoring takes place at moments that are relevant for Adequacy.</p>
6	FEBEG	<p>\$584</p> <p>It should also be allowed to request an Availability Test in order to reinstate a testing regime or only on quarter hour (for units with a SLA), as foreseen in the cover note.</p>	<p>Elia would like to point out that it is already foreseen to do so following § 583.</p>
7	FEBEG	<p>\$594</p> <p>Correction for participation in reserved frequency-related Ancillary Services and Redispatching Services (if applicable). For the determination of Vact,AS(CMU,t) and Vact,RD(CMU,t) it is referred to sections that apply to CMUs without Daily Schedule. This clause should be adapted so that this correction can also be applied to CMUs with Daily Schedule.</p>	<p>Even though the sections that are being referred to are located in sections that mainly involve Non-daily Schedule CMUs, section 9.4.3.2.3.1.2 and 9.4.3.2.3.1.3 do not specifically mention Non-daily Schedule CMUs. As a result, when they are being referred to in section 9.5.2.2.2 the correction is applied to both Daily Schedule CMUs and Non-daily Schedule CMUs.</p>
8	Centrica	<p>Centrica suggests that, in case of unlimited SLA applications for technologies like DSR, an administrative file with qualitative and quantitative evidence should be provided</p> <p>Centrica supports the idea that triggering an availability test on an unlimited SLA CMU does raise both challenges and costs. However, suggesting that a successful test during a single quarter hour would be sufficient to validate the unlimited SLA feature of a CMU does not seem reasonable.</p> <p>Centrica therefore proposes to at least complete Elia's proposal with an administrative file, in order to reinforce the ex-ante validation and avoid gaming behaviour. The administrative file would need to be provided for CMUs applying for an unlimited SLA, in particular for technologies having difficulties demonstrating such features, e.g. DSR. Such a file should provide a qualitative description of the rationale for requesting an unlimited SLA, and demonstrate that there are no obvious limitations for a potential activation. Quantitative elements could typically be, among others: absence of physical limitation in case of activation of a buffer, possibility to shut down the process during an entire day, absence of boundary conditions, etc.</p>	<p>Elia understands Centrica's concerns regarding gaming behaviour from CMUs that are categorized as SLA No Limit. Be that as it may, Elia does not believe that it would be beneficial to add such demands. For one, it is up to the Capacity Provider to choose its SLA category during Prequalification; this choice is left to him, since only he knows the exact specifications of his CMU.</p> <p>The selection of an SLA category has the most visible impact on the determination of SLA Hours during the Availability Monitoring; indeed, an SLA No Limit-CMU will have an Obligated Capacity</p>
9	Zandvliet Power	<p>In addition, we encourage Elia to further investigate the opportunity to make the AMT Price, in the framework of the availability monitoring, more dynamic during the delivery year. In the current rules, the AMT price is computed and published by the 15th of May before the start of the delivery year. Similarly to the principle of dynamic strike price indexation, we consider that updating the AMT price during the delivery year is necessary when the market conditions have changed in such a way that the computed value no longer represents a correct trigger for the controls. Else, it will become extremely challenging for power plant operators to plan their maintenance interventions without risking to be heavily penalized. Proper maintenance is crucial to guarantee the availability when needed and should not be compromised by a penalty scheme that is not targeted to its purpose. Similarly to what is now being proposed for the availability testing (§ 583), which Zandvliet Power supports, there should also be a more explicit link in the AMT monitoring between controls and scarcity periods.</p>	<p>Elia would like to refer to its reply to FEBEG's comment concerning the AMT Price.</p>

Secondary Market

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	§ 691 In the formula of the SMREV for energy constrained CMUs during SLA hours, the Total Contracted Capacity is divided by the Last Published Derating Factor. It should be by the Derating Factor (CMU,t) as in the definition.	Elia thanks FEBEG for the comment and has updated the rules accordingly.
2	FEBEG	10.4.10 This chapter should be updated to take into account the changes on the strike price indexation, which applies in each case.	Elia thanks FEBEG for the comment, but has not identified major impact of the strike price indexation mechanism on the secondary market rules.
3	FEBEG	§732 "If the Buyer of an Obligation has not signed the most recent version of the Capacity Contract yet, the Buyer of Obligation signs the most recent version of the Capacity Contract as part of the contractual implementation." It should also be avoided that 2 different Capacity Contracts are co-existing for the same CMU.	Elia thanks FEBEG for the comment and has updated the rules accordingly. As long as the Buyer of an Obligation has already signed a contract (whether or not it represents the most recent version of the approved template), no additional contract needs to be signed.
4	FEBEG	§753 of FRV2 What is the reason for the removal of this paragraph on the encryption of prices ?	This paragraph was not in line with the current implementation of the secondary market tool.

Financial Security

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	<p>§ 764</p> <p>"No Financial Security can be submitted or adapted –except upon request of ELIA –from September 2 until October 31 inclusive." It should be specified that this concerns only Financial Securities related to Primary Market Transactions.</p>	<p>Elia agrees with FEBEG's comment and has adapted the Functioning Rules accordingly.</p>
2	FEBEG	<p>§774</p> <p>End date of the Validity Period, for an Existing CMU :as in the design note for LCT, the Validity Period should end 50 WD after the date of the Capacity Contract signature if there are no possible penalties anymore related to a pre-delivery control after the signature of the capacity contract.</p>	<p>Since in the end a control moment will always be foreseen at the end of the pre-delivery period, both in the context of the CRM and the LCT, there will never be a release possible after the signature of a Capacity Contract. Therefore, Elia sees no rationale for integrating this aspect in the Functioning Rules.</p>
3	FEBEG	<p>§781</p> <p>A new legal opinion should not be requested for an amendment to an affiliate guarantee when the modifications are limited (eg. no change of the Validity Period, increase of the amount with less than 20%).</p>	<p>Elia understands FEBEG's request, but has decided not to adapt the rules. Doing so would first and foremost require a thorough assessment of what are minor modifications, for which no legal opinion would then be required. Elia believes such assessment would be complicated (and possibly also the assessment of the individual modifications itself during the operational processes) and prefers clear and transparent rules, even though this means that a legal opinion is always required.</p>

Payback

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	<p>§ 824-828: Indexation of the Calibrated Strike Price of a Transaction in time.</p> <p>Febeg considers that the proposed formula is a significant improvement compared to as-is but refers to the comments provided above.</p> <p>§824</p> <p>For capacity contracts with one-year contract, Elia proposes an indexation of the strike price formula as from the start of the delivery period. To clarify this, we propose not to refer to the first delivery period but instead refer to the start of the delivery period for capacity with 1-year contract and the first delivery period for capacities with multi-year contracts.</p> <p>§826</p> <p>"The value of the fixed component of the ex-post Indexed Calibrated Strike Price remains, at all times, identical during the entire Transaction Period of a Capacity Contract.": as there may be several Transactions and Transaction Periods in a Capacity Contract, the words 'Capacity Contract' should be replaced by 'Transaction'.</p> <p>-FEBEG proposed to adapt the variable component of the new formula: it should only be computed on the positive day-ahead prices of the concerned month, and should in any case never be negative.</p> <p>"The variable component consists in the DAM simple average prices of the previous month, and is adapted on a monthly basis at the end of each month.":</p> <p>--"Previous month" is confusing. Proposal: 'of the month for which the ex-post Indexed Calibrated Strike Price is computed' ---"DAM simple average prices": it would be clearer to say "simple average of the DAM prices"</p> <p>--"at the end of each month": to replace by "ex-post"</p> <p>- the definition of "DAMm" corresponds in fact to "Average DAMm"</p>	<p>Elia thanks FEBEG for its feedback and for the input provided in order to reach a compromise.</p> <p>Elia understands and agrees with the proposed feedback which won't impact the way of working of the indexation. Rules have been adapted accordingly.</p> <p>First, Elia agrees with the proposed change regarding the reference to the Transaction and not to the Capacity Contract and adapted the rules accordingly.</p> <p>Regarding the suggestion to exclude negative prices, Elia doesn't agree with this proposal. Although this represents a change with respect to the presented proposal, Elia is of the opinion that the updated indexation mechanism should truly reflect the evolution of the electricity market during the Delivery Period. Therefore, Elia is convinced that such negative prices should be included in the variable component added to the fixed component to form the Indexed Calibrated Strike Price ex-post.</p>
4	FEBEG	<p>§826-838</p> <p>The wording for "ex-post Indexed Calibrated Strike" should be aligned, as different terms are used:</p> <ul style="list-style-type: none"> - §826 "Indexed ex post Calibrated Strike Price" - §827 "ex post Calibrated Strike Price" - §828 "Indexed Calibrated Strike Price" - §829 "ex-post Indexed Calibrated Strike" - §838 and 12.4.2 "ex-post Indexed Strike Price" <p>§843</p> <p>The current functioning rules provide that a stop-loss limit on the yearly remuneration is applied to the total amount of payback. FEBEG supports this important feature of the CRM design. Should the update of the strike price indexation formula not be implemented, FEBEG urges to introduce measures to limit the significant risks linked to exceptional and unforeseen market circumstances such as the introduction of stop loss limit with a lower granularity (e.g. weekly), including for contracts that have been signed during the first auction</p> <p>§849</p> <p>"previous month M": "previous "is confusing, we suggest to remove it.</p> <p>12.3.2 Payback Obligation formula</p> <p>If the Strike Price(CMU_id, Transaction_id, t) is replaced by the ex-post Indexed Strike Price(CMU_id, Transaction_id, t), then the maximum between the Declared Market Price and the ex-post Indexed Strike Price(CMU_id, Transaction_id, t) is not applied anymore for CMUs without Daily Schedule.</p> <p>12.3.2.2 Payback obligation for an Energy Constrained CMU's ex-ante transaction</p> <p>Next to the preceding remark, the Derating Factor(CMU,t) should be replaced by the Derating Factor contractually associated to the Transaction in the Capacity Contract (cfr FRv1)</p> <p>12.4.3 Effective Payback Obligation calculation</p> <p>As for the Payback Obligation formula, the ex-post indexed Strike Price should not replace the Strike Price.</p> <p>General remarks on the update of the indexation mechanism of the strike price</p> <p>First of all, we thank Elia for the ongoing efforts in improving the current design of the CRM and in this case, the payback obligation. For FEBEG, this is a crucial element in order to make the CRM design future-proof. The unprecedented situation on energy markets we live today definitely calls for some adjustments in order to limit unexpected risks for the CRM participants and maintain the needed attractive investment climate. Indeed, the period 21-22 is a real stress test for the current formula and it demonstrates that it is not dynamic enough.</p> <p>Currently, the Payback Obligation is due, irrespective of whether the asset is actually in the money and therefore economically viable to run and capture revenue on the electricity market; whether the delta between the Day-Ahead Market and the Strike Price actually represents net revenue and is not due to increases in underlying costs. Moreover, the stop-loss only applies on yearly basis but there is no stop loss on both the payback (of earned or even unearned revenues) and availability monitoring. Even if the unit has paid back its entire remuneration, it is still subject to unavailability penalties. Between Oct 21-Nov 22, more than 2350 hours were above the strike price of 300€/MWh. For an important number of those hours, CCGTs and OCGTs have not been running as their marginal cost was above the Day-Ahead Market price which was in turn higher than the 300€/MWh level. And for certain of the hours that they were running, having to pay back electricity revenues above the 300€/MWh level would make them loss making (i.e. power price - the marginal cost of the unit - the Payback Obligation is below 0). According to FEBEG, the new indexation formula for the strike price should address the following objectives:</p> <ul style="list-style-type: none"> • Keep a strong link with the market fundamentals therefore the formula needs to be dynamic enough to cope with sudden and important market evolutions (closer to the payback moment). • Avoid undue payback obligation therefore the formula should ensure that the production costs are always covered; to ensure a level playing field with non-daily schedule, no gas unit (with daily schedule) has to pay back when it is not in the money. • Ensure a sufficient level of infrastructure investment therefore the formula needs to integrate a sufficient high global floor. Again, it is important to keep in mind that hedged volumes are not considered for the payback, possibly implying a payback of some unearned revenues. FEBEG believes the formula currently proposed by Elia in the framework of this consultation achieves most of the above objectives. Therefore we can support, in the current market circumstances, the formula proposed by Elia but we regret that there is no direct link with the real production cost of the unit. Based on the simulations provided by Elia, the new formula limits the payback moments. However, there is still a risk that future market conditions evolve in such a way that the formula leads again to significant payback of unearned revenues. 	<p>Elia agrees with this comment and has adapted the rules accordingly.</p> <p>Elia understands FEBEG's comment but would like to insist on the fact that the stop-loss limit has not been considered as an element making part of the proposed update with respect to the Payback Obligation. Elia does therefore not intend to modify the concept nor the granularity of the stop-loss.</p> <p>Elia has clarified through different § from the Payback Obligation chapter that the indexation always would take place after the last month of the Delivery Period and ex-post.</p> <p>Elia thanks FEBEG for this comment and has adapted the rules accordingly by always referring to the calibrated strike price which is then indexed.</p> <p>ELIA agrees with the provided feedback and has adapted this in the rules</p> <p>Elia thanks FEBEG for this comment and has adapted the rules accordingly by always referring to the calibrated strike price which is then indexed.</p> <p>ELIA thanks FEBEG for its global feedback on the proposed solution for Payback Obligation. Elia would like to come back again on several points raised in FEBEG's feedback:</p> <ol style="list-style-type: none"> 1) Elia has agreed repeatedly with the fact that the Payback Obligation 'as is' was not fit for purpose anymore, especially based on the analysis made with respect to the prices met in 2022. Therefore, Elia has taken the feedback from market parties into account to make a proposal of update a.o. for the indexation of the strike price. 2) Elia is truly convinced that an updated indexation mechanism based on DA price evolution does consider market fundamentals since the DA market was always considered as a reference market price for the Payback Obligation and is subject to a Pay-as-Clear pricing rule. 3) On the fact that the proposal would still result in some Payback events despite of capturing excessive revenues, Elia would like to repeat that it aimed at keeping several key principles while proposing an update on the Payback Obligation (technology neutrality, least cost CRM, ...). For these reasons, Elia considered a proposal that could be applied without exceptional cases foreseen per technology. <p>Finally, on the need to foresee a clause allowing the adaptation of the Payback Obligation, Elia would like to point out the fact that such clause already exists in the Royal Decree Methodology and de facto led to the current situation of proposal of an updated mechanism. Therefore, Elia does not identify the need to consider the inclusion of such clause in the Functioning Rules.</p>
10	bis	<p>Therefore we can support, in the current market circumstances, the formula proposed by Elia but we regret that there is no direct link with the real production cost of the unit. Based on the simulations provided by Elia, the new formula limits the payback moments. However, there is still a risk that future market conditions evolve in such a way that the formula leads again to significant payback of unearned revenues. Therefore, FEBEG strongly recommends Elia to add, in the functioning rules, a clause allowing a review of the formula in the future or to allow to declare a market price in certain circumstances. This will provide confidence for market parties that the payback obligation remains sustainable in the future for all technologies and actually targets the recovery of the "windfall profit". We also refer to our comments on §826 for some concrete improvements to the formula.</p> <p>In particular, FEBEG would like to highlight two concrete examples:</p> <ul style="list-style-type: none"> • Gas-fired power plants could be in a situation where the production cost (and in particular the CO2 and gas costs) will be higher than the strike price indexed with the new formula, especially in a world with important RES capacities. • For storage assets, the revenues are mainly linked to the spread between peak and off-peak prices, and not to the average electricity price on the day-ahead market. Actually a better approach could have been to link the strike price to a maximum spread above which a payback obligation is due. FEBEG also recommends that the formula is tested for energy-constrained CMUs with daily-schedule as we fear that the formula could induce in some cases higher payback amounts per contracted MWh than for non-energy constrained assets (the impact of the derating factor could be more important than the limitation of the payback obligation to SLA hours). However, we recognize that Elia strives for a market-wide formula but the specificities of the different technologies could require, in some circumstances, a case-by-case approach. Therefore, we consider it important to have a clause allowing to adapt the formula in the future. 	

11	FEBEG	<p>Remarks on the retroactive application of the new indexation formula</p> <p>Because the current crisis revealed an important flaw in the design and important risks for the CRM operator, we consider it very essential that the improved formula also applies for existing contracts (yearly and multi-year contracts) as from the start of the delivery period 2025-26 so that the level playing field in the CRM is ensured. However, generally speaking, the retroactive application of new rules on existing contracts merits a careful discussion. FEBEG takes therefore the opportunity to share its concern on the topic. Next to the economic parameters, the CRM Functioning Rules have a significant impact on the costs, risks and liabilities of Capacity Providers and, hence, determining business cases and investment decisions, decisions on whether to participate in the Y-4 or Y-1 auction and decisions whether to participate in the capacity remuneration mechanism or not at all. The following aspects of the CRM Functioning Rules are, amongst others, very important in this respect: pre-qualification requirements (CO₂ emission limits, ...) - pre-delivery control (distinction between 'new build', 'additional-other' and 'existing capacity', penalty level, ...); financial security (distinction between 'new build', 'additional-other' and 'existing capacity', level of financial security, ...); unavailability obligation (AMT price, level of penalty, modalities, ...); pay-back obligation (level of strike price, indexation or stop loss, ...); liabilities and force majeure (definition, level of limits, ...).</p> <p>As a general principle, FEBEG opposes any retroactive application of a modification to the CRM Functioning Rules, without prior agreement with the concerned stakeholders. The CRM Functioning Rules are the basis for the abovementioned economic and strategic trade-offs and decisions that lead to a number of bids at a certain price level in the capacity auction of which some are translated in capacity contracts. In particular, modifying retroactively the CRM Functioning Rules might increase the costs, risks and/or liabilities for the Capacity Providers. The Capacity Provider could not in any way have foreseen these increased costs, risks and/or liabilities in his bid price and, hence, he risks not have covered his missing money any longer and lacking remuneration to cover for the cost of providing capacity. In this respect, FEBEG is very concerned about the impact of modifications on long term contracts, e.g. 15 year contracts, especially as the CRM Functioning Rules will be reviewed on an annual basis. Several small retroactive modifications, each time slightly increasing costs, risks and/or liabilities, might over time completely distort the balance of rights and obligations in a long-term contract. For the abovementioned reasons, a retro-active application of modifications to the elements of the CRM Functioning Rules that are defining the costs, risks and/or liabilities is unacceptable, as it risks being discriminatory and in breach with other legal principles (respect for contracts, ownership rights, ...).</p>	<p>ELIA takes note of FEBEG's feedback and would like to insist on the fact that retroactivity is a topic that should be considered from a holistic point of view and not only limited to Payback Obligation.</p> <p>Furthermore, ELIA would like to highlight the fact that one of the goals of the design of the CRM has always been to make it as technology neutral as possible despite of some specific features related to technologies participating to it that ELIA had to take into account (differentiated activation costs, energy constraints, daily-schedule, ...)</p>
11bis		<p>FEBEG therefore asks ELIA to have a clear and transparent approach for debating and justifying retro-active application of modifications to the CRM Functioning Rules. According to FEBEG, there's a general exception to this general rule of no retroactive application, namely hardship. An event that could not be foreseen by the contracting parties, that cannot be controlled by the contracting parties, that is common to all parties and that impacts their legitimate expectations and the balance of rights and obligations, justifies a retroactive application of a modification to the CRM Functioning Rules. In this perspective, FEBEG is of the opinion that a retro-active application of the indexation mechanism of the Strike Price is justified. The war in Ukraine and its impact on the price level in the electricity market should be considered as an unforeseen and uncontrollable event – common to all capacity providers – that justifies a retroactive modification. Capacity Providers prepared their bid – also depending on their risk appetite – based on forecasts of future market evolutions and assumed a number of pay-back obligations. The soaring energy prices resulting from the war in Ukraine could not be foreseen, let alone controlled. The analysis of ELIA during the ELIA WG 'Adequacy' of the 13th of September, 2022 clearly demonstrates that his unforeseen and uncontrollable rise of electricity prices impacts the legitimate expectations of the capacity providers and that it impacts the balance of rights and obligations in the capacity contract: the current CRM Functioning Rules would lead – if the current price level would persist – to almost 3.000 hours with payback obligations, meaning that the capacity providers would lose their capacity remuneration for such a delivery year while the capacity providers legitimately expected to still receive a capacity remuneration taking into account an number of payback obligations (while still being subject to the unavailability penalties).</p> <p>In addition, FEBEG can also acknowledge that certain operational modifications can be made retroactive when duly justified. This is the case for instance on changes related to the availability monitoring providing clarifications on the control modalities. Q2: DSM exemption, after having repeatedly received feedback from several market parties according to which the application of the Payback Obligation may not lead to the same results for all technologies participating to the CRM, ELIA considers proposing an exemption of Payback Obligation for Demand Response. As stated before, FEBEG welcomes the efforts of ELIA to evaluate and modify the CRM design to make it more future proof. FEBEG also appreciates the efforts of ELIA to keep the balance between the interest of all involved parties. Nevertheless, FEBEG observes that the rules are gradually becoming quite different between DSM, small and large-scale batteries and thermal units. For instance, when it comes to the payback obligation, DSM would be exempted from any payback obligation while thermal assets are still subject to the payback, even for unearned revenues.</p>	<p>As a conclusion on retroactivity, ELIA would like to refer to the fact that such topic was already covered in the Functioning Rules since their first version. Finally, the provisions regarding retroactivity were not adapted since the Rules were edited: it seems therefore logic to ELIA to propose a retroactive application of both proposals regarding Payback Obligation being the exemption of Payback Obligation for DSM and an update of the indexation mechanism.</p>
11bis bis		<p>Has ELIA considered the situations where a DSM capacity provider has hedged its forecasted consumption at a low price? When it comes to availability monitoring, DSM will be mainly subject to the availability testing in case of high declared market price but they are allowed to announce unpenalized unavailabilities (including during winter) and have a certain guarantee not to be tested during summer months while thermal assets will mainly be subject to the AMT monitoring all year long (esp. if the AMT does not evolve during the delivery year). How can ELIA ensure that the MW contracted have the same value as the MW of a thermal plant? Should thermal plants, like DSM, not also be allowed to stop for certain occasions (in particular for maintenance) and should they not also be allowed to plan these without too much financial exposure? When it comes to eligibility to the auctions, DSM can participate to the T-4 and T-1 auctions (with also an important volume being reserved for them and other innovative technologies in T-1) while some thermal plants may need to participate to the T-4 in case of significant investments with lead time > 1y but the volume in this T-4 auction is reduced with the participation of DSM. Moreover, equally non-bid prequalified DSM capacity is taken into account, reducing the room for thermal plants further, without guarantee the capacity will be effectively there. Considering the abovementioned elements, FEBEG would like to share the following conclusions: it is true that the various technologies eligible to the CRM have different features and behaviors on the market but it is essential (i) to have as much as possible a technology neutral approach and (ii) to ensure a level playing field on the key principles of the CRM.</p> <p>In this perspective, FEBEG can only accept an exoneration of the payback obligation for demand response in the context of a compromise in which the delicate balance between the interest of stakeholders is shifted as a whole: an exoneration of the pay-back obligation for demand response without the improved mechanism for the indexation of the strike price and without a retroactive application of this improved mechanism would distort this balance. Notwithstanding the above, FEBEG urges ELIA to continue to try to look for improvements that restore as much as possible the technology neutral character of the CRM design and the level playing between all technologies and actors.</p>	
12	Centrica	<p>Centrica agrees with ELIA that a future exemption from payback obligation could be further investigated to foster DSR participation in the CRM</p> <p>Centrica agrees that considering a removal of the payback obligation for DSR should be thoroughly discussed within the WG Adequacy to fully assess the pros and cons.</p> <p>From a policy perspective, such an evolution could indeed be seen as a way to foster the participation of DSR in the CRM. From a market design perspective however, it should be discussed to which extent payback continues to make sense for such units. Centrica would welcome a thorough impact assessment, since the case presented by ELIA during previous working groups still lacks quantifiable elements such as avoided network costs in case of activation, potential revenues from DA/ID ToE in case of activation, or the value of a spot exposed supply vs. a flat-rate contract.</p> <p>Centrica remains open to contribute to such discussions, with the objective to reach a collective decision for the next iteration of the CRM Functioning Rules.</p>	<p>ELIA thanks Centrica for its feedback. Regarding the proposal of exemption of Payback Obligation for DSM, ELIA has made a proposal in the Functioning Rules but remains open to further discuss in WG Adequacy as stated during the last WG of January 27th. ELIA welcomes further feedback/practical examples from market parties on the matter to enrich the debate.</p>
13	Febeliec	<p>On the topic of the payback obligation and the related topic of strike price, Febeliec would like to refer to the basics of the Belgian CRM. The purpose of the CRM is to ensure security of supply as a last resort measure if no other alternative solutions can ensure that assets are not facing missing money and thus risk leaving the system, while at the same time avoiding windfall profits which would unnecessarily increase the cost of the CRM and would be non-compliant with the legal lowest cost criterion. Febeliec also wants to reiterate its fundamental position that the intrinsic differences between the various technologies are too broad to allow for a single strike price to ensure the above premise. Febeliec has from the conceptual phase indicated this issue, yet the CRM design does not take that into account (which could have been done by for example asking every CRM candidate to make an offer including an individual strike price). Febeliec strongly believes that the only way to compensate for (if any) missing money is a separate approach by technology (or even by asset) to ensure that no windfall profits would be generated (e.g. by looking at the clean spark spread for generation assets). On the proposal by ELIA, it remains for Febeliec even after the working groups and documents unclear why a future revised strike price formula/methodology would have to be composed of a fixed and a variable component and even more so why ELIA is proposing a non-symmetrical solution for the variable component as it would not be allowed to become (theoretically possible) negative, even if the corresponding benchmark would result in a negative value. In any case, while Febeliec understands that the current extreme market conditions could indeed require a more dynamic determination of a strike price, it is fundamental that such more dynamic strike price determination methodology should ensure that not only the strike price level would rise in case of rising market prices (such as currently being observed) to ensure that missing money (if any) would still be covered, but also that the strike price should drop fast enough whenever market prices would decrease again. It is also in this light that Febeliec does not understand why a fixed component should be introduced in the strike price formula as it would put a maybe too high floor level into the mechanism if not well conceived.</p> <p>While for generation assets, Febeliec as indicated above would be in favour of a cap on the clean spark spread per technology (or even asset), which would ensure covering missing money without providing windfall profits, it has been from the conceptual phase clear to Febeliec that a strike price for Demand Side Response in a CRM is not a sound approach, which was also partially accepted in the design with the inclusion of declared market prices. Nevertheless, even this approach does not solve the issue as DSR might have to pay back money that was never earned, leading to a very negative position compared to generation assets, while in any case the approach is not suited for the problem of the underlying opportunity costs for DSR which are the driver for demand reduction and demand shifting rather than the market prices as such. Febeliec is thus in favour of removing the strike price for DSR, as DSR will be activated in function of opportunity costs and in any case will have to prove its availability either by activation or tests</p>	<p>ELIA thanks Febeliec for its extensive feedback on the principles but also on the proposal as such. ELIA would like to repeat that it aims at striking the right balance when thinking about the Payback Obligation mechanism taking into account several principles such as technology neutrality, least cost CRM, windfall profit avoidance.</p> <p>Therefore, ELIA is of the opinion that the current proposal from the rules is capturing such principles while still leaving sufficient room for a reasonable occurrence for Payback Obligation moments.</p> <p>On the proposal of the updated indexation mechanism, ELIA would like to clarify the fact that the proposal foresees the possibility for the strike price to evolve in both directions when being indexed. ELIA, taking into account among others Febeliec's feedback, is of the opinion that the indexation of the strike price based on DA price evolution should reflect truly price evolution even though it would potentially lead to a downward evolution *of the indexed calibration strike price.</p> <p>As for the potential Payback Obligation exemption for DSM, ELIA takes note of Febeliec's feedback and has made a proposal going into that direction.</p>

14 Zandvliet Power In relation to the strike price indexation, Zandvliet Power can support, in the current market circumstances, the formula proposed by Elia in the framework of this consultation by introducing a fix and variable component and integrating the DA monthly market price into the variable component. Based on the simulations provided by Elia, the new formula limits the payback moments which is a positive evolution. However, there is still a risk that future market conditions evolve in such a way that the formula leads to significant payback of unearned revenues. Therefore, Zandvliet Power strongly recommends Elia to add, in the functioning rules, a clause, allowing a review of the formula in the future. This will provide confidence for market parties that the payback obligation remains sustainable in the future and actually targets the recovery of the "windfall profit".

In addition, Zandvliet Power would like to propose an improvement to the new formula: the variable component of the new formula should only be computed on positive day-ahead prices, and should in any case never be negative. This principle was presented in the Adequacy Working Group at 13/10/2022, but is not retained in the proposed Functioning Rules.

Because the current crisis revealed an important flaw in the design and important risks for the CRM Actors, Zandvliet Power considers it essential that the improved formula for the strike price indexation also applies retroactively for existing contracts signed for the delivery period 2025-26. In a context of high natural gas prices, a strike price of 300 €/MWh would generate important payback moments of unearned revenues. This is contradictory to the objective of the payback obligation.

Elia thanks Zandvliet Power for its feedback and takes note of the fact that the updated proposal with respect to the indexation mechanism of the strike price is perceived positively. Elia confirms that the proposal to update such indexation mechanism was linked to the fact that the current design did not seem to fit the current circumstances observed in 2022 on electricity markets.

Regarding Zandvliet Power's proposal to exclude negative prices of the calculation of the variable component of the indexed calibrated strike price, Elia cannot follow this proposal since Elia is of the opinion that such indexation mechanism must follow the evolution of prices witnessed on the market. Elia is therefore convinced that negative prices should be considered as well in such calculation, should they take place in the future.

As for the proposal to include a specific clause in the Functioning Rules to allow for a possibility to adapt the strike price formula in the future, Elia repeats that such clause already exists in the Royal Decree Methodology and actually led to the current proposal of modification for which input was received from the market. Therefore, Elia does not think that adding such clause in the Functioning Rules would be relevant since it is already considered elsewhere in the applicable legal framework.

Fallback

#	Stakeho	Received Comment	Elia's answer in EN
1	Fluvius	<p>Remark: The related DSO performs the computation of initial Available Capacity and initial Active and Passive Volume</p> <p>Rationale: The DSO delivers the result of computations for which he disposes of the necessary underlying measurement data</p>	<p>The modifications have been introduced in section 8.4.2.1.2, 9.4.3.2.3.1.1, 9.4.3.2.3.2.1 and 9.5.2.2.1, respectively.</p>

Transparency and motivation

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	<p>§ 1003</p> <p>Is the list of prequalified CMUs already available?</p>	<p>Although out of scope of this public consultation on the CRM Functioning Rules, Elia can confirm that the list of Prequalified CMUs is available and is published regularly on the following web page: https://www.elia.be/en/grid-data/adequacy/prequalified-crm-candidates-contact-list</p>
2	FEBEG	<p>§ 1005</p> <p>We propose that Elia also provide the split (in MW) of the opt-out/IN volume in the auction report per technology, at least for the following technologies CCGTs, OCGTs, CHPs, PSP, Waste, Batteries, DSM. This is needed to better understand the auction results.</p>	<p>Elia agrees with FEBEG's comments and has adapted the Functioning Rules accordingly.</p>
3	FEBEG	<p>§1007</p> <p>The current estimation of the non-eligible volumes in the calibration report varies a lot from year to another. We refer to our comments provided in §290 and following.</p>	<p>Elia refers to it's answer in the Auction tab.</p>

Annexes

#	Stakeholder	Received Comment	Elia's answer in EN
1	FEBEG	<p>Annex A.2 Grid User Declaration</p> <p>Table A.1:the title "Expected Nominal Reference Power" was not updated in the French version of the FRv2 as in the NL and EN versions.</p>	Elia thanks FEBEG for spotting the error and will adjust the Functioning Rules accordingly.
2	FEBEG	<p>Annex A.6</p> <p>Following the presentation of Compass Lexecon in the last Elia WG Adequacy regarding their study in relation with the proposed trajectories for a progressive reduction of the CO2 emission limits for participation in the Belgian CRM, FEBEG would like to stress the following:</p> <ul style="list-style-type: none"> -The CO2 emission limits in the CRM Functioning Rules (version 2) of 29/05/2022, in line with European legislation, already exclude some gas-fired plants from participation in the Belgian CRM for delivery period 2026-2027 (y-4 auction), and potentially for 2025-2026 (Y-1 auction). -Even if no decision has been made so far, the FPS proposed several trajectories for CO2 emission limits in the public consultation of 01/06/2022, which confirm and further strengthen the limits for participation in the Belgian CRM and potentially even go beyond obligations and rules imposed by European legislation. -We are very concerned that most gas-fired power plants, including cogeneration units, will be excluded from participation in the CRM which will significantly increase the cost of CRM and might put the Belgian security of supply at high risk, as about 5000 MW capacity would become ineligible for CRM support within a very few years <p>Therefore, we welcome the conclusion of Compass Lexecon's cost-benefit-analysis, which show that not allowing the existing plants to participate, in their current configuration, into the CRM would (i) lead to SoS issues for Belgium and (ii) be very expensive for the Belgian customers. We also support the recommendations made by Compass Lexecon with regards to existing capacities (namely align back to the EU regulation). However, FEBEG cannot agree with the proposal during the presentation of Compass Lexecon, that specific CO2 emissions trajectory could be applied on signed long-term contracts. This would be considered by FEBEG as a retroactive change compared to the functioning rules V1, clearly impacting the balance of the contract. In addition, FEBEG regrets that the next steps following this study have not been clearly explained by the Belgian authorities.</p>	Elia takes note of the comments raised by FEBEG
2bis		<p>In any case, FEBEG strongly recommends that:</p> <ul style="list-style-type: none"> -The conclusions of Compass Lexecon for existing plants are considered by the Belgian Authorities should a specific trajectory be decided.-If relevant, a public consultation is held on a clear and detailed proposal for a trajectory; -the consultation is organized in due time so that market parties have sufficient visibility on future CRM conditions for the next auction. The trajectory should therefore be integrated in the new CRM Functioning Rules (version 3) to be published by the 15/05/2023; -the full trajectory, and not only the CO2 emissions limits for the upcoming auction, is embedded in the CRM Functioning Rules in order to create a stable and long-term view for investors. 	
3	FEBEG	<p>Annex B.1 Pre-delivery period definition and Total Contracted Capacity determination</p> <p><u>18.2.1.3 Total Contracted Capacity determination</u></p> <p>For the Moment of control on 31th August 2024, for CMU 1: is the new fourth criteria well respected for Transaction 1? The Transaction Period covers multiple Delivery Periods, but the moment of control relates to the second Delivery Period of the Transaction Period, not to the first.</p>	Elia thanks FEBEG for noticing the inconsistency and will make efforts to correct it.
4	FEBEG	<p>Annex B.3. content of the quarterly report</p> <ul style="list-style-type: none"> -Permitting Milestone : If a copy of the permits has already been transferred to Elia (with a previous quarterly report), it should not be included again in the quarterly report. -Start of Construction Work : in case Construction Works have started, proof of the start need to be transferred in the form of an attestation by supplier / attestation by the contractor. <p>In our view, this requirement is written for the case of an EPC contractor (turnkey). For a multi-contract approach, a lot of suppliers are involved in the construction of the plant. Hence the supplier / contractor which should supply the "attestation" is not clear. Should it be the Contractor in charge of the preparation of the site (site levelling, temporary facilities)?</p>	Elia agrees that a permit should only be included once. In any quarterly reports thereafter, the capacity provider can refer to the permit that was sent earlier. With regards to proof of the start of the Construction Works, the Capacity Provider has some freedom to select the supplier/contractor that he deems the most representative, which (as FEBEG highlights themselves) can be the contractor in charge of preparation of the site.
5	FEBEG	<p>Annex E.4: Standard Affiliate Guarantee modification form</p> <p>We suggest the following improvements in the wording :</p> <ul style="list-style-type: none"> -Replace "with regard to [•] (name of the CRM Actor) as follows" by "with regard to [•] (name of the CRM Actor) for CMU(s) with identification number(s) [•] as follows" -Replace "modification" by "amendment" -Replace "This amendment shall enter into force as of today" by "This amendment shall enter into force as of the date of the signature of this amendment." -Replace "confirming the selection of (OR part of) its CMUs in the Auction" by "confirming the selection of (OR part of) the CMU(s) referred above in the Auction" 	Elia thanks FEBEG for the suggestions and has adapted the template(s) accordingly. Note that Elia has made similar adaptations to the Standard Bank Guarantee modification form.
6	FEBEG	<p>Annex E.5: Illustration of the determination of volume to be guaranteed</p> <p>The end dates of the Validity Periods of the different Transactions on the primary market should be corrected (eg.Transaction 1 should be in 2026 instead of 2025), and -if needed- the determination of the volumes to be guaranteed. Also for the Transactions on the secondary market, the Validity Periods should be stated.</p>	Elia thanks FEBEG for the comments, but has decided not to update the dates, since this annex merely concerns an example which can be understood even though the dates lie in the past.
7	FEBEG	<p>Annex H : Application of provisions of Functioning Rules to Capacity Contracts already concluded</p> <p>This annex should be updated.</p>	Elia thanks FEBEG for the comment and will make sure the annex is updated, depending on the outcome from the discussions with CREG.